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98th CONGRESS
1st Session

S. _____

IN THE SENATE OF THE UNITED STATES

Mr. Stevens introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To amend chapter 89 of title 5, United States Code, to reform the
Federal employees' health benefits program.

1 Be it enacted by the Senate and House of Representatives
2 of the United States of America in Congress assembled, That
3 this Act may be cited as the "Federal Employees' Health
4 Insurance Amendments of 1983".

5 REFERENCES

6 Sec. 2. Except as otherwise specifically provided,
7 wherever in this Act a reference is expressed in terms of a
8 section or other provision, the reference shall be considered
9 to be made to a section or other provision, respectively, of
10 title 5, United States Code.

11 TITLE I--MEDICARE SUPPLEMENTAL PLANS

12 DEFINITIONS

13 Sec. 101. Section 8901 is amended--

14 (1) by striking out "and" at the end of clause (8);

15 (2) by striking out the period at the end of clause

16 (9) and inserting in lieu thereof a semicolon; and

17 (3) by adding at the end thereof the following new
18 paragraphs:

19 "(10) 'Office' means the Office of Personnel
20 Management; and

21 "(11) 'medicare eligible individual' means any

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1 individual who--

2 "(A) has attained age 65; and

3 "(B) is eligible for benefits under part A of
4 title XVIII of the Social Security Act."

5 HEALTH BENEFITS PLANS FOR ANNUITANTS

6 Sec. 102. (a) Section 8923 is amended--

7 (1) by inserting "(a)" before "The" in the first
8 sentence; and

9 (2) by adding at the end thereof the following new
10 subsection:

11 "(b) (1) The Office shall contract with one qualified
12 carrier for a health benefits plan for annuitants which
13 offers--

14 "(A) for annuitants and other individuals who are
15 covered by an enrollment in such plan and are not
16 medicare eligible individuals--

17 "(i) benefits which are of the types referred to
18 in section 8904 (5) of this title and are at least
19 actuarially equivalent to the benefits offered as of
20 January 1, 1983, in the higher level of benefits of
21 the plan described in section 8903 (a) (1) of this
22 title; and

23 "(ii) the additional benefits which are of the
24 type referred to in section 8904 (5) of this title
25 and were not included as benefits offered as of
26 January 1, 1983, in the higher level of benefits of
27 the plan described in section 8923 (a) (1) of this
28 title; and

29 "(B) for annuitants and other individuals who are
30 covered by an enrollment in such plan and are medicare
31 eligible individuals, health benefits--

32 "(i) for which payment may not be made under
33 title XVIII of the Social Security Act or for which
34 payment may be made under title XVIII of the Social

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Security Act but which are not payable under such title by reason of deductibles, coinsurance amounts, or other limitations imposed pursuant to such title; and

“(11) which, when combined with the health services and items provided or paid for under title XVIII of the Social Security Act, result in a combined health benefits package for such individual which is equivalent to or greater than the health benefits required to be provided under clause (A) of this paragraph to individuals who are not medicare eligible individuals.

“(2) The plan to which paragraph (1) of this subsection applies shall require each annuitant enrolled in the plan to pay--

“(A) the first \$150 otherwise payable with respect to the annuitant by the carrier under the plan during any year but for this paragraph;

“(B) in the case of inpatient services furnished with respect to the annuitant other than in an emergency, coinsurance in an amount equal to twenty percent of the amount otherwise payable with respect to the annuitant by the carrier under the plan during any year but for this paragraph; and

“(C) in the case of outpatient care furnished with respect to the annuitant other than in an emergency, coinsurance in an amount equal to ten percent of the amount otherwise payable with respect to the annuitant by the carrier under the plan during any year but for this paragraph.”.

(b) Section 8904 is amended by inserting after paragraph (4) the following new paragraph:

“(5) Annuitant Benefits Plan.--

“(A) Benefits of the types specified in

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1 paragraphs (1) and (2) of this subsection or both.

2 "(B) Psychiatric hospital care.

3 "(C) Skilled nursing facilities care.

4 "(D) Alcohol and drug rehabilitation.

5 "(E) Dental care."

6 (c) Section 8905 is amended--

7 (1) by striking out subsection (a) and inserting in
8 lieu thereof the following:

9 "(a) An employee may enroll only in an approved health
10 benefits plan described by section 8903 (a). The enrollment
11 in such plan may be either as an individual or for self and
12 family."

13 (2) in subsection (b), by striking out the period at
14 the end thereof and inserting in lieu thereof a comma and
15 "subject to subsection (f) of this section."

16 (3) in subsection (e), by inserting a comma and
17 "subject to subsection (f) of this section" after
18 "Office"; and

19 (4) by adding at the end thereof the following new
20 subsection:

21 "(f) An annuitant may be enrolled under this chapter
22 only in a health benefits plan described in subsection (a)
23 (4) or (b) of section 8903 of this title."

24 (d) Section 8908 (b) is amended by inserting "subject to
25 section 8905 (f) of this title and" after "may,".

26 CONTRACTING AUTHORITY AND REQUIREMENTS FOR MERGER AND
27 DISCONTINUANCE OF MEDICARE SUPPLEMENTAL PLANS

28 Sec. 103. (a) Section 8902 is amended by adding at the
29 end thereof the following new subsection:

30 "(n) The Office shall solicit from qualified carriers
31 bids to furnish the annuitants benefits plan provided under
32 section 8903 (b) of this title. The Office shall enter into a
33 contract with the qualified carrier which submits the bid
34 which is most advantageous to the Government considering

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1 price and such other factors as the Office publicized in the
2 solicitation.".

3 (b) Section 8902 is amended--

4 (1) in subsection (b), by striking out "section 8923
5 (2) of this title" and inserting in lieu thereof
6 "subsection (a) (2) of section 8903 of this title or a
7 plan described in subsection (b) of such section which is
8 of a type described in subsection (a) (2) of such
9 section";

10 (2) in subsection (c) by striking out "section 8903
11 (1) or (2) of this title" in paragraph (1) and inserting
12 in lieu thereof "subsection (a) (1) or (a) (2) of
13 section 8923 of this title or a plan described in
14 subsection (b) of such section which is of a type
15 described in subsection (a) (1) or (a) (2) of such
16 section"; and

17 (3) in the first sentence of subsection (1) by
18 striking out "section 8903 (4)" and inserting in lieu
19 thereof "section 8923 (a) (4)".

20 (c) Section 8909 is amended--

21 (1) in the first sentence of subsection (d), by
22 striking out "section 8903 (3) of this title" and
23 inserting in lieu thereof "subsection (a) (3) of section
24 8903 of this title, or subsection (b) of such section in
25 the case of a plan described in such subsection which is
26 of a type described in subsection (a) (3) of such
27 section,"; and

28 (2) in subsection (e), by striking out "section 8903
29 (3) or (4) of this title" and inserting in lieu thereof
30 "subsection (a) (3) or (a) (4) of section 8903 of this
31 title or a plan described in subsection (b) of such
32 section which is of a type described in subsection (a)
33 (3) of such section".

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1 TITLE II--ADDITIONAL REQUIREMENTS FOR FEDERAL EMPLOYEES

2 HEALTH BENEFITS PROGRAM

3 CONTRACTING AUTHORITY

4 Sec. 201. (a) Subsection (c) of section 8902 is amended--

5 (1) by inserting ``(1)'' after ``(c)'';

6 (2) by redesignating clauses (1) and (2) as clauses

7 (A) and (B), respectively; and

8 (3) by adding at the end thereof the following new

9 paragraph:

10 ``(2) A contract for a plan described by subsection (a)

11 (3) of section 8903 of this title shall require that the

12 carrier--

13 ``(A) satisfy the requirements of paragraph (1) (A)

14 of this subsection; or

15 ``(B) be underwritten by a company that is licensed

16 to issue group health insurance in all the States and the

17 District of Columbia.''.

18 (b) Subsection (d) of such section is amended to read as

19 follows:

20 ``(d) Each contract under this chapter shall include a

21 detailed statement specifying the benefits offered under such

22 contract and the maximums, limitations, exclusions,

23 definitions, deductibles, and coinsurance applicable to such

24 benefits. Any such contract that is entered into for a term

25 of more than one year shall include a detailed statement

26 describing each change, if any, in such benefits, maximums,

27 limitations, exclusions, definitions, deductibles, and

28 coinsurance taking effect during the term of the contract and

29 the effective date of such change.''.

30 (c) The second sentence of subsection (1) of such section

31 is amended to read as follows: ``For the purposes of this

32 subsection, 'qualified health maintenance carrier' means any

33 qualified carrier which--

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1 “(1) is a qualified health maintenance organization
2 within the meaning of section 1310 (d) (1) of the Public
3 Health Service Act (42 U.S.C. 302e-9 (d) (1)); or

4 “(2) satisfies the requirements of section 1301 (c)
5 (1) (A) of such Act (42 U.S.C. 302e (c) (1) (A)), as
6 determined by the Office of Personnel Management in
7 consultation with the Secretary of Health and Human
8 Services.”.

9 (d) Such section (as amended by section 123 (a)) is
10 further amended by adding at the end thereof the following
11 new subsections:

12 “(o) Except as otherwise provided in this chapter, each
13 plan offered under a contract entered into under this section
14 shall provide reasonable deductibles and coinsurance for all
15 benefits under the plan. The plan may provide for reduction
16 of deductibles and coinsurance pursuant to a program of
17 innovative benefits offered under the plan, but may not
18 provide for the elimination of deductibles and coinsurance
19 pursuant to such program. Deductibles and coinsurance may be
20 waived under a plan in the case of charges for health care
21 furnished by a provider pursuant to an agreement to discount
22 charges for subscribers of the plan if the charges do not
23 exceed amounts approved for charges for such care for the
24 purposes of title XVIII of the Social Security Act.

25 “(p) The Office may not contract with any qualified
26 carrier under subsection (a) of this section for any plan
27 described in subsection (a) (1), (a) (2), or (a) (3) of
28 section 8903 of this title, or for any plan described in
29 subsection (b) of such section, which provides more than two
30 levels of benefits. This subsection does not prohibit any
31 qualified carrier offering a plan which provides two levels
32 of benefits under a contract with the Office from
33 underwriting plans offered by other qualified carriers under
34 contracts with the Office.

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1 “(q) Each contract for an annuitant health benefit
2 plan under section 8903 (b) of this title shall be for a term
3 of three years.

4 “(r) The Office shall not require as a condition for
5 entering into a contract with any qualified carrier under
6 subsection (a) of this section that such carrier offer under
7 such contract a health benefits plan which provides more than
8 one level of benefits.”.

9 TYPES OF HEALTH BENEFITS; CATASTROPHIC BENEFITS

10 Sec. 202. (a) Section 8904 is amended--

11 (1) by striking out “may” in the first sentence and
12 inserting in lieu thereof “shall”;

13 (2) by adding at the end of paragraph (1) the
14 following new subparagraph:

15 “(G) Benefits for care for and treatment of
16 mental disorders.”;

17 (3) by adding at the end of paragraph (2) the
18 following new subparagraph:

19 “(G) Care for and treatment of mental
20 disorders.”;

21 (4) in paragraph (3), by striking out “section” and
22 inserting in lieu thereof “subsection”;

23 (5) in paragraph (4), by striking out “section” and
24 inserting in lieu thereof “subsection”; and

25 (6) by striking out the last sentence and inserting
26 in lieu thereof the following new subsection:

27 “(b) (1) In the case of a catastrophic illness or
28 injury, the benefits required by subsection (a) of this
29 section to be provided under a plan shall be provided under
30 such plan without regard to the provisions of such plan
31 relating to deductibles, coinsurance, maximums, and other
32 limitations, if any. For the purposes of this subsection, an
33 illness or injury is considered catastrophic during any
34 contract year after the time when the total of the amounts

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1 paid by an employee or annuitant during such year by reason
2 of the application of such provisions to the benefits
3 provided under such plan with respect to such illness or
4 injury and illnesses and injuries related to such illness or
5 injury equals the lesser of (A) the amount specified in the
6 plan for the purpose of this subsection or (B) the reference
7 amount computed under paragraph (2) of this subsection.

8 "(2) (A) Except as provided in subparagraph (B) of this
9 subsection for the purposes of paragraph (1) of this
10 subsection, the reference amount is, subject to subparagraph
11 (C) of this paragraph--

12 "(1) \$3,000 per person receiving benefits under a
13 plan by reason of the illness or injury and illnesses and
14 injuries related to such illness or injury; or

15 "(11) \$6,000,
16 whichever is less.

17 "(B) For the purposes of paragraph (1) of this
18 subsection, in the case of the annuitant benefits plan, the
19 reference amount is--

20 "(1) \$1,500 per person receiving benefits under a
21 plan by reason of the illness or injury or illnesses and
22 injuries related to such illness or injury; or

23 "(11) \$2,500,
24 whichever is less.

25 "(C) Effective January 1 of each year, the amounts
26 specified in clauses (1) and (11) of subparagraph (A) of this
27 paragraph (as previously deemed to be increased under this
28 subparagraph) shall be deemed to be increased by the percent
29 increase, if any, in the price index published for December
30 of the second calendar year preceding such January 1 over the
31 price index published for December of the third calendar year
32 preceding such January 1. For the purpose of the preceding
33 sentence, 'price index' shall have the same meaning as
34 provided in section 8331 (15) of this title."

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1 (b) (1) The heading of such section is amended to read as
2 follows:

3 ``\$ 8904. Benefits``.

4 (2) The item relating to section 8904 in the table of
5 sections at the beginning of chapter 89 is amended to read as
6 follows:

``8904. Benefits``.

7 CONTRIBUTIONS

8 Sec. 203. (a) Subsection (a) of section 8906 is amended
9 to read as follows:

10 `` (a) (1) For the purpose of computing the amount of the
11 Government contribution for subscription charges payable for
12 an employee or annuitant enrolled in a health benefits plan
13 under this chapter during any contract year, the Office shall
14 determine the weighted average of the subscription charges in
15 effect on the beginning date of such contract year under
16 health benefits plans (other than health benefits plans
17 described in section 8903 (b) of this title) which are
18 offered by carriers under contracts entered into under
19 section 8902 (a) of this title for such contract year and
20 were offered by such carriers for the preceding contract year
21 under contracts entered into under such section.

22 `` (2) For the purposes of paragraph (1) of this
23 subsection, the weighted average of the subscription charges
24 in effect on the beginning date of a contract year under the
25 health benefits plans referred to in such paragraph shall be
26 determined by--

27 `` (A) multiplying, in the case of each such plan, for
28 each type of enrollment authorized by section 8905 (a) of
29 this title and each level of benefits provided under such
30 plan, the biweekly subscription charge in effect on such
31 beginning date by the number of employees and annuitants
32 enrolled for the preceding contract year in such plan for
33 such level of benefits under such type of enrollment; and

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1 “(B) dividing the sum of the products contributed for
2 such plans under clause (A) of this paragraph by the
3 total number of employees and annuitants enrolled in such
4 plans during the contract year preceding such beginning
5 date.”.

6 (b) (1) Subsection (b) (1) of such section is amended to
7 read as follows:

8 “(b) (1) Except as provided by paragraph (2) of this
9 subsection, the biweekly Government contribution for health
10 benefits in any contract year--

11 “(A) in the case of an employee enrolled under this
12 chapter in a health benefits plan (other than a health
13 benefits plan described in section 8903 (b) of this
14 title) is adjusted to an amount equal to 70 percent of
15 the weighted average subscription charge determined for
16 such contract year under subsection (a) of this section,
17 or if less, the subscription charge for such employee or
18 annuitant for such contract year; or

19 “(B) in the case of an annuitant who is enrolled
20 under this chapter in a health benefits plan described in
21 sub sections ^{(a)(4) and} ~~and~~ (b) of this title and--

22 “(i) is not a medicare eligible individual, is
23 adjusted to an amount equal to 80 percent of the
24 subscription charge for such plan; or

25 “(ii) is a medicare eligible individual, is
26 adjusted to an amount equal to 70 percent of the
27 subscription charge for such plan for such contract
28 year.

29 For an employee, the adjustment begins on the first day of
30 the employee's first pay period of such contract year. For an
31 annuitant, the adjustment begins on the first day of the
32 first period of such contract year for which an annuity
33 payment is made.”.

34 (2) Subsection (b) of such section is further amended--

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1 (A) by striking out paragraph (2); and

2 (B) by redesignating paragraph (3) as paragraph (2).

3 COST CONTAINMENT PROGRAM

4 Sec. 204. (a) Chapter 89 is amended by adding at the end
5 thereof the following new section:

6 ``§ 8914. Cost containment program

7 ``(a) Each carrier entering into a contract under section
8 8902 of this title shall develop and carry out a cost
9 containment program for each plan offered under such
10 contract. The program shall include--

11 ``(1) procedures which ensure that the carrier fully
12 carries out its responsibilities under the plan without
13 assuming the financial obligations of others in
14 furnishing the benefits or without furnishing benefits to
15 subscribers or members of family of a subscriber which
16 are furnished by others under circumstances involving
17 coordination of benefits, subrogation, no-fault motor
18 vehicle accident insurance, compensation arrangements,
19 and workers' compensation insurance;

20 ``(2) procedures which ensure that benefits not
21 authorized to be furnished under the plan are not
22 furnished under the plan;

23 ``(3) provisions to furnish benefits which are
24 suitable alternatives to and less costly than in-patient
25 medical and hospital care, including ambulatory surgery,
26 home health care, hospice care, preadmission testing,
27 second opinions on surgery, and care in skilled nursing
28 facilities;

29 ``(4) procedures to evaluate on a continuing basis
30 the necessity, appropriateness, and efficiency in using
31 medical services, medical procedures, and medical
32 facilities, including, in the case of hospital care,
33 evaluation of hospital admissions, services ordered and
34 furnished, length of stay of patients, and current and

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1 past discharge practices:

2 "(5) procedures and actions to detect possibly
3 fraudulent claims submitted by providers of health care
4 or subscribers;

5 "(6) the development and implementation of strategies
6 to contain the costs of benefits furnished under the
7 plan, including the development of data bases to provide
8 the capability to analyze, on the basis of any
9 subscriber's individual account under the plan, the costs
10 and payments relating to such account and the utilization
11 of medical services, medical procedures, and medical
12 facilities by such subscriber;

13 "(7) the distribution of published materials and the
14 conduct of other activities to inform patients,
15 subscribers, employees, annuitants, members of families,
16 and providers of health care about the appropriate uses
17 of health care services and facilities, personal habits
18 and practices which promote good health, and other health
19 care matters; and

20 "(8) efforts to enter into agreements with providers
21 of health care to discount charges for furnishing health
22 care to subscribers under the plan.

23 "(b) Each contract with a carrier under section 8902 of
24 this title shall include a provision requiring the carrier to
25 pay annually into the Employee Health Benefits Fund referred
26 to in section 8909 of this title an amount equal to two
27 percent of the total amount of subscription charges payable
28 to such carrier under such contract for the calendar year.
29 All amounts paid into the Fund under this subsection shall be
30 available for distribution pursuant to subsection (c) of this
31 section.

32 "(c) (1) The office shall audit the cost containment
33 program of each carrier under subsection (a) of this section
34 and shall rate each carrier on the effectiveness of each

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1 provision required by such subsection to be included in the
2 program and on the overall effectiveness of the program. For
3 the purpose of this paragraph, a provision of the program and
4 the program overall shall be rated as excellent,
5 satisfactory, or poor.

6 “(2) Under such regulations as the Office shall
7 prescribe, a monetary award shall be paid at the end of each
8 calendar year to each carrier carrying out a cost containment
9 program which was rated as excellent or satisfactory overall
10 for the year. The amount of the monetary award payable in any
11 year to a carrier shall be a percentage of the amount paid by
12 such carrier into the Employee Health Benefits Fund under
13 subsection (b) of this section for such year. The monetary
14 award paid in any year to each carrier rated at the same
15 level for such year shall be computed at the same percentage.
16 The percentage used to compute each monetary award paid in
17 any year for an excellent rating shall be greater than the
18 percentage used to compute each monetary award paid in such
19 year for a satisfactory rating. A monetary award may not be
20 paid in any year to a carrier carrying out a cost containment
21 program which was rated as poor overall for the year.

22 “(3) The Office may not enter into a contract under
23 section 8902 of this title with any carrier carrying out a
24 cost containment program which is rated as poor overall for
25 two consecutive calendar years unless three years have
26 elapsed since the date on which the latest contract with such
27 carrier under section 8902 of this title has expired. The
28 carrier shall be entitled to a hearing on the record before
29 the Office makes an initial determination not to enter into
30 such a contract with the carrier by reason of the first
31 sentence of this paragraph. The determination of the Office
32 shall be subject to review by the Courts of Appeals of the
33 United States under chapter 7 of this title.

34 “(d) At the end of each calendar year, the Office shall

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1 transmit to the Congress a report summarizing the results of
2 the cost containment programs carried out under this section
3 for the year. Each report shall set forth the ratings of each
4 carrier under subsection (c) of this section for the year.''.
5

6 (b) The table of sections at the beginning of chapter 89
7 is amended by adding at the end thereof the following new
8 item:

''8914. Cost containment program.''.
9

10 OPEN SEASON

11 Sec. 205. (a) Chapter 89 is further amended by adding at
12 the end thereof the following new section:

13 ''§ 8915. Open enrollment

14 ''(a) Before any change in benefits or amounts payable by
15 an employee or annuitant under a health benefits plan under
16 this chapter takes effect, the Office shall organize and
17 carry out a program under which each employee and each
18 annuitant may elect to enroll, not to enroll, to continue
19 enrollment, or to discontinue enrollment in a health benefits
20 plan offered under this chapter or to transfer enrollment
21 from one such health benefits plan to another such health
22 benefits plan.

23 ''(b) Not later than fifteen days before the date on
24 which any program of open enrollment under subsection (a) of
25 this section begins, the Office shall distribute to each
26 employee and each annuitant--

27 ''(1) a document or documents--

28 ''(A) summarizing the benefits provided under
29 each health benefits plan offered under contracts
30 entered into under section 8902 of this title for the
31 ensuing contract term; and

32 ''(B) setting forth the amount of the
33 subscription charge payable by each employee or
34 annuitant enrolled under such plan during such term;

35 ''(2) a document setting forth the benefits,

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1 including maximums, limitations, exclusions, definitions,
2 deductibles, and coinsurance which will be provided
3 during such term under the plan in which such employee or
4 annuitant is enrolled, if any, on the date on which such
5 program of open enrollment begins; and

6 "(3) an application for enrollment or change of
7 enrollment in a health benefits plan."

8 (b) The table of sections at the beginning of such
9 chapter is amended by adding at the end thereof the following
10 new item:

"8915. Open enrollment."

11 EXPERIMENTAL PROGRAM

12 Sec. 206. (a) The Office of Personnel Management shall
13 carry out an experimental program in at least three large
14 areas of the United States where a substantial number of
15 employees of the Government are located. Under such program,
16 the Office shall negotiate agreements with providers of
17 health care to discount the charges for health care furnished
18 by the providers to employees of the Government.
19 Notwithstanding section 8902 (c) of title 5, United States
20 Code (as added by section 201 (d) of this Act), deductibles
21 and coinsurance under any health benefits plan offered under
22 chapter 89 of such title may be waived in the case of health
23 care furnished by a provider under the program.

24 (b) The experimental program under subsection (a) shall
25 commence not later than January 1, 1984, and shall terminate
26 January 1, 1987.

27 (c) Not later than January 31, 1987, the Office of
28 Personnel Management shall transmit to the Congress a report
29 on the experimental program carried out under subsection (a).
30 The report shall describe the administrative actions taken or
31 proposed to be taken based on the information resulting from
32 the program and shall include such recommendations for
33 legislation as the Office considers appropriate based on such

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1 information.

2 TITLE III--MISCELLANEOUS PROVISIONS

3 TECHNICAL AND CONFORMING AMENDMENTS

4 Sec. 301. (a) Section 8901 (8) is amended by striking out
5 ``8923 (3)'' and inserting in lieu thereof ``8923 (a) (3)''.
6

7 (b) The second sentence of section 8902 (1) is amended by
8 striking out ``health benefits plans described by section
9 8903 (1) and (2)'' and inserting in lieu thereof ``health
10 benefits plans described by subsection (a) (1) or (a) (2) of
11 section 8903''.

12 (c) Section 8923 is amended--

13 (1) in paragraph (1)--

14 (A) by striking out `` , offering two levels of
15 benefits,''; and

16 (B) by striking out ``8904 (1)'' and inserting in
17 lieu thereof ``8904 (a) (1)'';

18 (2) in paragraph (2)--

19 (A) by striking out `` , offering two levels of
20 benefits,''; and

21 (B) by striking out ``8904 (2)'' and inserting in
22 lieu thereof ``8904 (a) (2)'';

23 (3) in paragraph (3) by striking out ``8904 (3)'' and
24 inserting in lieu thereof ``8904 (a) (3)''; and

25 (4) in the first sentence of paragraph (4) (A) by
26 striking out ``8904 (4)'' and inserting in lieu thereof
27 ``8904 (a) (4)''.
28

29 EFFECTIVE DATES

30 Sec. 302. (a) Except as provided in subsection (b) of
31 this section, the amendments made by this Act shall take
32 effect with respect to contracts entered into under section
33 8902 (a) after the date of enactment of this Act.

34 (b) (1) The amendments made by section 201 (a) of this
Act shall take effect January 1 of the first year that begins
not less than three years after the date of enactment of this

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1 Act.

2 (2) The amendment made by section. 205 of this Act shall

3 take effect on the date of enactment of this Act.